

## **Chapter 6: Business Market and business buyer behavior**

### **Business Market**

Market means consumer. The consumer is a part of the market, but the market also includes sellers, products, pricing. Two kinds of business market.

1. B to B (Business to Business)

2. B to C (Business to Consumer)

#### **1. Business Market (B to B)**

A business market is when one business sells goods or services to another business. This is also called B2B, which means "business to business."

##### **Examples:**

- **Goodyear Tires** – Goodyear buys rubber, steel, and machines from other companies to make tires. Then it sells the tires to stores, and the stores sell them to people.
- **Boeing Airplanes** – Boeing sells airplanes to big companies like airlines. These sales take a long time and need strong partnerships and trust

#### **2. Business to Consumer (B to C)**

B2C is when a business sells products or services directly to everyday people who use them. which means "business to consumer."

##### **Examples:**

- A person buys clothes from a store.
- Someone orders food from a restaurant.

### **Characteristics of Business Markets**

#### **1.0 Market Structure and Demand**

In business markets, there are fewer buyers, but they buy in big amounts. What they buy depends on what regular people want. Their buying doesn't change much with price, but it can go up or down quickly.

##### **Examples:**

- A car company buys lots of steel to make cars. If people stop buying cars, the company buys less steel.

- If many people want new cars, the car company quickly needs more parts.

## **2.0 Nature of the Buying Unit**

In business buying, more people are part of the decision, and they know how to buy in a smart and professional way.

### **Examples:**

- A company wants to buy new printers, so the manager, IT person, and finance team all help choose.
- A supermarket has a special person whose job is to buy the right products for the store.

## **3.0 Types of Decisions and the Decision Process**

In business, buying is more complicated. Companies follow steps and rules when they buy. They also work closely with sellers for a long time.

### **Examples:**

- A hospital wants new machines, so they check many options and get permission before buying.
- A company buying office chairs signs papers and follows rules to make the purchase.

## **A Model of Business Buyer Behavior**

Stimuli are the things that affect or influence the buyer's decision. This model shows how businesses decide what to buy, what affects their choices, who helps make the decision, and what the final decision is.

### **The Environment**

These are things outside the business that affect buying decisions, like:

- **Product** – What is being sold
- **Price** – How much it costs
- **Place** – Where it's sold
- **Promotion** – How it's advertised

- **Economy** – How the economy is doing
- **Technology** – New tools or systems
- **Politics and Culture** – Laws or ways people do business
- **Competition** – What other businesses are doing

**Example:** If a new machine comes out, a company might choose it over an older one.

### **The Buying Organization**

This is the business that wants to buy something. Inside the business, there is:

- A **buying center** – A group of people who help decide
- A **buying process** – The steps they follow to choose and buy

**Example:** A school wants to buy laptops. Teachers, tech staff, and the principal all help make the decision.

### **Buyer Responses**

These are the final choices the business makes:

- What to buy
- Which company to buy from
- How much to order
- When it should be delivered
- Payment and service terms

**Example:** A hotel decides to buy 50 new beds from a supplier and wants them delivered in 10 days.

## **Major Type of Buying Situations**

There are three major types of buying situations.

**A. Straight Rebuy:** The company buys the same thing again with no changes.

**Example:** An office orders the same pens from the same seller every month.

**B. Modified Rebuy:** The company buys something again, but changes the brand, size, price, or supplier.

**Example:** A company usually buys chairs from one store, but this time wants a different style or better deal.

**C. New Task:** The company is buying something for the first time.

**Example:**

A new café buys a coffee machine for the first time

## **Participants in the Business Buying Process**

**Buying Center:** All the people involved in helping a company make a buying decision.

**Users:** People who will use the product or service.

**Example:** Office workers who will use the new computers being bought.

**Influencers:** People who give advice or information to help make the choice.

**Example:** An IT worker who helps pick the best computer.

**Buyers:** The person who talks to sellers and places the order.

**Example:** A manager who calls the company and buys the desks.

**Deciders:** The person who makes the final decision.

**Example:** The boss who says “yes” or “no” to the deal.

**Gatekeepers:** People who control the information or who can talk to whom.

**Example:** A secretary who decides if a salesperson can talk to the boss.

## **The Business Buying Process**

- 1. Problem Recognition:** Someone in the company notices a problem or need and thinks, “We need to buy something to fix this.”

**Example:** The printer in the office breaks down. The manager realizes they need a new one.

- 2. General Need Description:** The company describes what kind of item they need and how many.

**Example:** The manager says, “We need one color printer that can print fast and handle a lot of pages.”

- 3. Product Specification:** They decide the exact features or details the product must have.

**Example:** “The printer must print 30 pages per minute, have wireless connection, and handle A3 paper.”

- 4. Supplier Search:** They look for the best companies (vendors) to buy the product from.

**Example:** They search online or contact stores to compare printer brands and prices.

- 5. Proposal Solicitation:** The company asks possible suppliers to send their offers or plans.

**Example:** They email 3 printer companies and say, “Please send us your best offer.”

- 6. Supplier Selection:** They read the offers and choose the best supplier.

**Example:** They compare price, quality, and delivery time, then choose the best one.

- 7. Order-Routine Specification:** They write the final order, including all the details like product, amount, delivery, and warranty.

**Example:** “We want 1 printer, delivered in 5 days, with a 1-year warranty, and free returns.”

- 8. Performance Review :** After getting the product, they check how well the supplier did and decide if they will buy again.

**Example:** If the printer works well and was delivered on time, they may order again from the same company.

## **Institutional and Government Markets**

**Institutional Market:** These are places like schools, hospitals, and prisons that buy things to take care of people.

**Example:**

- A school buys lunch food for students.
- A hospital buys beds and medicines for patients.

**Government Market:** These are government offices (local, state, or national) that buy or rent things to do their work.

**Example:**

- The police department buys new uniforms.
- The city government rents trucks for garbage collection.